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EXAMINER KYLE, CHARLES R				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary**Application No.**

09/611,548

Applicant(s)

LOWENSTEIN ET AL.

ExaminerNARAYANSWAMY
SUBRAMANIAN**Art Unit**

3695

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 02 December 2011.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on ____; the restriction requirement and election have been incorporated into this action.
- 4) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 5) ☒ Claim(s) 1-205 is/are pending in the application.
- 5a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 6) ☐ Claim(s) ____ is/are allowed.
- 7) ☒ Claim(s) 1-205 is/are rejected.
- 8) ☐ Claim(s) ____ is/are objected to.
- 9) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 10) ☒ The specification is objected to by the Examiner.
- 11) ☒ The drawing(s) filed on 07 July 2000 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 12) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date ____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date ____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: ____

DETAILED ACTION

1. This office action is in response to applicants' communication filed on December 2, 2011. Amendments to the abstract and amendments to claims 1, 2, 28, 31, 53, 56, 60, 74, 93, 102, 119, 120, 121, 123, 125, 130, 133, 140, 148, 154, 158, 161, 172, 173, 179, 180, 182, 183, 193, 197, and 198 have been entered. The objections to the abstract are withdrawn in view of the amendments to the abstract. Objections to the drawings are withdrawn in view of the evidence presented in Exhibit 1 of Applicant's remarks. Claims 1-205 are pending and have been examined. The rejections and response to arguments are stated below.

Specification

2. The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

3. The specification is objected to under 35 U.S.C. § 112, first paragraph, as failing to support the subject matter set forth in the claims. The specification, as originally filed does not provide support for the invention as now claimed.

The test to be applied under the written description portion of 35 U.S.C. § 112, first paragraph, is whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of later claimed subject matter. Vas-Cat, Inc. v. Mahurkar, 935 F. 2d 1555, 1565, 19 USPQ2d 111, 1118 (Fed. Cir. 1991), *reh'rg denied* (.Fed. Cir. July 8, 1991) and *reh'rg, en banc, denied* (Fed. Cir. July 29, 1991).

Claim 1 recites the limitations “processing data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease” “computing data in a non-transitory memory of a computer, the

computation in furtherance of an improvements lease” and “a true lease under tax accounting rules” (emphases added).

Claim 2 recites “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease”, “a true lease under tax accounting rules” and “the data processed in the non- transitory memory representing one or more of a group consisting of the landlord, the tenant, a special purpose entity, a credit rating, a transaction date, a dollar amount, an investor or lender” (emphases added).

Claim 28 recites the limitation “a true lease under tax accounting rules” (emphases added).

Claims 31 and 102 recite the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease” (emphasis added).

Claims 35, 57, 95, 114, 120, 122, 143, 170, 175 and 198 recite the limitation “a true lease under tax accounting rules” (emphasis added).

Claim 56 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in real estate from a special purpose entity to a tenant” (emphasis added).

Claim 60 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of two leases, the leases being a lease of leasing a longer-lived asset and a lease of a shorter-lived asset to a lessee under two separate leases” and “a true lease under tax accounting rules” (emphases added).

Claim 74 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease

being a lease of tenant improvements within a space from a special purpose entity to a tenant” (emphasis added).

Claim 93 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in a space from a special purpose entity to a tenant” (emphasis added).

Claim 119 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease, the lease being a lease of an interest in real estate from a special purpose entity to a tenant” and “the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the asset” (emphasis added).

Claim 126 recites the limitation “the portion of the lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, the data providing a solicitation to enter the improvements lease” (emphasis added).

Claim 127 recites the limitation “the portion of the improvements lease performed by processing data in a non-transitory memory of a computer includes formatting or buffering messages for transmission to or received from a potential lessor or lessee on a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted,

displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease” (emphasis added).

Claim 128 recites the limitation “the portion of the improvements lease performed by processing data in a non- transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee or a servicer over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non- transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, or servicer under control of programs for managing or servicing the improvements lease” (emphasis added).

Claim 129 recites the limitation “the portion of the improvements lease performed by processing data in a non- transitory memory of a computer includes formatting or buffering data for transmission to or received from the lessor, lessee, investor or lender over a non-transitory network, or displaying data on a non-transitory display, or storing data in a non-transitory memory, the data containing terms of the improvements lease, the data being transmitted, displayed or stored on a computer of the lessor, lessee, investor or lender under control of programs for financial analysis of the improvements lease” (emphasis added).

Claim 130 recites the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease being a lease of tenant improvements within a space from a special purpose entity to a tenant under a tenant improvements lease” and “data processed in the non-transitory memory of the computer representing at least one of a group consisting of (a) the landlord, (b) the tenant, and

(c) an investor or a lender who contributed capital to the tenant improvements or to an entity owning the tenant improvements” (emphases added).

Claim 133 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease, the improvements lease being structured together with the space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” and “the data processed in the non-transitory memory representing at least one of a group consisting of (a) the landlord, (b) the tenant, and (c) an investor or lender who contributed capital to the asset or to an entity owning the improvements” (emphases added).

Claim 140 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space from a special purpose entity to the tenant” and “data processed by a computer representing one or more of a group consisting of the landlord, the tenant, a dollar amount of a transaction, and an investor or lender” (emphasis added).

Claim 148 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under leases of a longer-lived asset and a shorter-lived asset to a lessee under two separate leases”, “a true lease under tax accounting rules” and “data processed by the computer representing one or

more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added).

Claim 154 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of tenant improvements within a space from a special purpose entity to a tenant”, and “data processed by the computer representing one or more of a group consisting of (a) the landlord, (b) the tenant, (c) a dollar amount of a transaction, and (d) an investor or lender” (emphases added).

Claim 158 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of an interest in a space from a special purpose entity to a tenant” and “data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added).

Claim 161 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of the improvements to the tenant under an improvements lease distinct from the space lease” and “data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added).

Claim 172 recites the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of an interest in real estate from a special purpose entity to a tenant” and “data processed by the computer representing one or more of a group consisting of a lessor, the lessee, a dollar amount of a transaction, and an investor or lender” (emphases added).

Claim 173 recites the limitations “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment under a lease of improvements to the space from the special purpose entity to the tenant under the lease of claim 172” (emphasis added).

Claim 179 recites the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease of improvements to the space to the tenant under an improvements lease that is [a] distinct from the space lease and [b] structured together with the space lease to support an accounting conclusion that [b][1] the space lease and improvements lease are to be considered together as a single lease and [b][2] classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” (emphases added).

Claim 180 recites the limitations “computing data in a non-transitory memory of a computer, the computation in furtherance of a lease of improvements to the space to the tenant under an improvements lease distinct from the space lease”, “a true lease under tax accounting rules” and “said computing data comprising soliciting, originating, managing, or analyzing the improvements lease” (emphases added).

Claim 181 recites the limitations “A computer system, comprising: hardware and software designed to assist a tenant in entering an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; a non-transitory memory storing data providing that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; and a non-transitory memory storing data providing that, for

financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules” (emphasis added).

Claim 182 recites the limitations “One or more non-transitory memories, having stored thereon computer programs and/or data to cause at least one computer to: process a payment on a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant’s cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases” (emphasis added).

Claim 183 recites the limitations “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the

tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements” (emphasis added).

Claim 193 recites the limitations “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules” (emphasis added).

Claim 197 recites the limitations “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a

distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements" (emphasis added).

However, the original specification does not provide a written description disclosure to support the claimed limitations identified above especially the emphasized portions of the limitations.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 1-52 and 56-205 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter, which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In particular, claims 1, 2, 28, 31, 35, 56, 57, 60, 74, 93, 95, 102, 114, 119, 120, 122, 130, 133, 140, 143, 148, 154, 158, 161, 170, 172, 173, 175, 179-183, 193, 197 and 198 are rejected under 35 U.S.C. § 112, first paragraph, because the specification, as originally filed, does not provide a written description disclosure to support the claimed limitations as discussed

in the objections to specification above. Similar reasoning and logic apply to the dependent claims. Dependent claims are also rejected by way of dependency on a rejected independent claim.

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

7. Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are:

Claim 1 recites the steps of “processing data” and “computing data”. The essential steps relating these two steps to the other steps of the claim are missing in the claim.

8. Claims 1-27, 31-52, 56-181 and 183-205 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites “processing data in a non-transitory memory of a computer, the computation in furtherance of a lease”. The limitation “the computation” lacks antecedent basis because there is no step of computing recited in the previous step.

Independent claims 1, 2, 31, 56, 60, 74, 93, 102, 119, 130, 179, and 180 recite the limitation “computing data in a non-transitory memory of a computer, the computation in furtherance of a (specific) lease”. Firstly it is not clear as to how data is computed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for computing. The process of computing data in a non-transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed.

Secondly the metes and bounds of “computing data” and “the computation in furtherance of a (specific) lease” are unclear.

Also claims 133, 140, 148, 154, 158, 161, 172 and 173 recite the limitation “computing data in a non-transitory memory of a computer, the computation performing accounting to reflect receipt of a rent payment”. Firstly it is not clear as to how data is computed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for computing. The process of computing data in a non-transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed. Secondly the metes and bounds of “computing data” are unclear.

Claim 181 recites the limitation “hardware and software designed to assist a tenant in entering an improvements lease”. Firstly, it is not clear what kind of assistance is provided to the tenant by the hardware and software. Secondly, it is not clear what the term “assist a tenant in entering an improvements lease” entails. The metes and bounds of this limitation are unclear. Thirdly, it is not clear as to what is the structural cooperative relationship between the hardware and software and the non-transitory memories storing data. Fourthly, it is not clear if the two non-transitory memories storing data are the same or different memories. In view of these ambiguities the scope of the claim is unclear.

Also claims 183, 193 and 197 recite the limitation “processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease”. It is not clear as to how data is processed in a non-transitory memory of a computer. Memory of a computer is used for storing data and not for processing. The processing of data in a non-

transitory memory of a computer has not been described in the original specification and hence it unclear as to how this is performed.

Claims 28, 35, 57, 95, 114, 120, 122, 143, 170, 175, 179-205 recite the limitation “a true lease under tax accounting rules”. It is not clear what the Applicant means by the term “true lease”.

In view of these ambiguities identified above, the scopes of the claims are unclear. Appropriate correction is required. The dependent claims are rejected for the same reasons and also by way of dependency on a rejected independent claim.

The rejections below are interpreted in light of 35 USC 112, second paragraph rejections above.

Claim Rejections - 35 USC § 101

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10. Claim 1-27, 31-52, 56-180, and 183-205 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

Claims 1-27, 31-52, 56-180, and 183-205 are rejected under 35 USC 101 because they are drawn to an abstract idea.

Based upon consideration of all of the relevant factors with respect to the claims as a whole, claims 1-27, 31-52, 56-180, and 183-205 are held to claim an abstract idea, and are therefore rejected as ineligible subject matter under 35 U.S.C. § 101. The rationale for this finding is explained below:

- Insufficient recitation of a machine or transformation.

- The computer is generically recited such that it covers any computer capable of performing the claimed step(s). There is nothing in the specification to suggest that the computer is a particular machine.
- The computer is merely an object on which the method operates.

For instance with respect to claim 1, the following steps of: processing data in a non-transitory memory of a computer, the computation in furtherance of a lease of leasing a space from a landlord to a tenant under a space lease; computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, and receiving a rent payment from the tenant to the special purpose entity under the improvements lease do not have support in the original specification for machine implementation of these steps nor a qualifying transformation. In light of their broadest reasonable interpretation consistent with the specification, the above limitations thus encompass performance of the recited actions without a machine, e.g. mentally, verbally or by hand, and without any change of an article (physical object or substance) into a different state or thing. The other recitations in the claim are non-functional descriptive material because they have no material effect on how the steps of processing, computing and receiving are performed.

Further, in claim 1 a general concept is involved in executing the steps of the method, i.e. leasing space and improvements. Use of the concept, as expressed in the method, would cover both known and unknown uses of the concept in other fields. Note here that the steps of processing data, computing data, and receiving a rent payment from the tenant are merely the fundamental steps necessary to complete the performance of this general concept of leasing and thus would cover all applications or implementations of the general concept.

As a result, because claim 1 has a) no recitation of a machine or transformation and b) is a mere statement of a general concept as expressed in the method, the claim is directed to an abstract idea and is thus not patent eligible.

Similarly the methods of claims 2-27, 31-52, 56-180, and 183-205 do not qualify as a process under 35 USC 101. Dependent claims are rejected based on similar reasoning and by virtue of dependency on a rejected claim.

Claim Rejections - 35 USC § 103

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. Claims 28-30, 53-55 and 181-203 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weatherly et al. (US Patent 6,049,784).

Claim 28, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the feature of using a computer to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the

corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease.

Official notice is taken that using a computer to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet compared to a manual process. The other features not explicitly disclosed by Weatherly are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

It would have been obvious to one of ordinary skill in the art include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

Claim 53, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See the entire disclosure of Weatherly particularly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the feature of using a computer to to solicit proposals over the internet from tenants; and the feature of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease providing for lease of tenant improvements from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity to be consolidated with financial statements of the landlord, rent payments under the improvements lease to be fully tax deductible to the tenant.

Official notice is taken that using a computer to to solicit proposals over the Internet is old and well known. This feature helps a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet compared to a manual process. The other features not explicitly disclosed by Weatherly are interpreted as non-functional descriptive

material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal. Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

It would have been obvious to one of ordinary skill in the art include the feature of using a computer to to solicit proposals over the Internet to the invention of Weatherly. The motivation to combine is that it would help a user solicit proposals in a timely and efficient manner from a wide gamut of potential clients across the Internet.

Claims 29 and 54, Weatherly does not explicitly disclose the feature of the computer being further programmed to solicit offers of financing using an auction protocol. However Official notice is taken that soliciting offers of financing using an auction protocol is old and

well known in the art. The motivation to combine this feature is that it helps in facilitating numerous offers from several participants interested in making the offers.

Claims 30 and 55, Weatherly teaches the features of the computer being further programmed to store information on a plurality of loans between tenants and landlords, and to analyze the information (See the entire disclosure of Weatherly particularly Column 5 line 60 – Column 6 line 60). Weatherly does not explicitly disclose the feature wherein the loan is a tenant improvement loan closed between tenant and landlord. However this feature is interpreted as as non-functional descriptive material as they do not materially affect the steps of storing information and analyzing the information. As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 181, Weatherly discloses a computer system, comprising: hardware and software designed to assist a tenant in entering a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29); and non-transitory memories storing data (See the entire disclosure of Weatherly particularly Column 4 lines 12-30, Column 5 line 60 – Column 6 line 60, claims 15 and 29). Weatherly does not explicitly teach the features where the lease is an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease that is distinct from the improvements lease; data providing that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; and data providing that, for financial accounting, the consolidated lease is to be treated as an operating lease under financial accounting rules or a true lease under tax accounting rules. However these are interpreted as non-functional descriptive data that describe the underlying

contract and the data being stored respectively. The non-functional descriptive data does not materially affect the features of entering a lease and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 182, Weatherly discloses one or more non-transitory memories, having stored thereon computer programs and/or data to cause at least one computers to: process a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29). Weatherly does not explicitly teach the features of a lease for improvements to a space, financing for the improvements being provided by an entity other than a tenant of the space, financing for the improvements being obtained at the tenant's cost of funds, the space being leased from a landlord to the tenant under a space lease, the improvements lease being distinct from the space lease, at least some portion of the programs and/or data reflecting a characteristic of the improvements lease or the interrelationship between the space and improvements leases. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above

there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 183, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29). Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing, the lease of the improvements and the lease of the space lease being structured to support an accounting conclusion that the leasing of the space lease and the leasing of the tenant improvements are to be considered together as a single lease and classified as an operating lease under financial accounting rules or a true lease under tax accounting rules; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) an investor or lender who contributed capital to the improvements or to an entity owing the improvements. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the

substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 184-192, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 193, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29). Weatherly does not explicitly teach the features of a lease granting rights to use a shorter-lived asset to a lessee, the shorter-lived asset being functionally related to a longer-lived asset also leased to the lessee, financing or ownership of the shorter-lived asset being distinct from financing or ownership of the longer-lived asset, an amount of the payment payable by the lessee to a payee for the Shorter-lived asset for lease of the shorter-lived asset being segregable from an amount payable by the lessee to a distinct payee for lease of the longer-lived asset, the

segregation reflecting the distinct ownership or financing, the segregable payment stream directed to the shorter-lived asset having a present value at least equal to a cost of the shorter-lived asset at a time of commencement of the lease covering the shorter-lived asset; at least some portion of the lease to the shorter-lived asset being structured together with the lease to the longer-lived asset to support an accounting conclusion that the two leases are to be considered together as a single lease, classified as an operating lease under financial accounting rules or a true lease under tax accounting rules. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 194-196, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above

there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claim 197, Weatherly discloses a method comprising the steps of: processing of data in a non-transitory memory of a computer, the processing reflecting paying or receiving a payment on a lease (See the entire disclosure of Weatherly particularly Column 4 lines 12-30 and claims 15 and 29). Weatherly does not explicitly teach the features of a lease granting rights to use tenant improvements to a tenant, the tenant improvements being improvements to a space leased to the tenant, financing or ownership of the tenant improvements being distinct from financing or ownership of the space, an amount of the payment payable to a tenant improvements payee for lease of the tenant improvements being segregable from an amount payable to a distinct space payee for lease of the space, the segregation reflecting the distinct ownership or financing; financing for the tenant improvements being provided by an entity other than a tenant of the space, financing for the tenant improvements being obtained at the tenant's cost of funds; the processed data representing at least one of a group consisting of (a) the lessor of the space, (b) the lessor of the tenant improvements, (c) the tenant, and (d) a primary investor, secondary investor, or lender, who contributed capital to the improvements or to an entity owing the improvements. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above

there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 198-203, the limitations in these claims are interpreted as non-functional descriptive data that describe the underlying contract, the payment being processed and the data being stored. As discussed above these are interpreted as non-functional descriptive data that describe the underlying contract and the data being stored. The non-functional descriptive data does not materially affect the features of processing the payment and storing data. The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Response to Arguments

13. In response to Applicant's assertion "Claims have been amended to recite "an operating lease under financial accounting rules or a true lease under tax accounting rules". This language is supported at, for example, paragraphs [0018], [0021], [0029], [0072], and [0082] (paragraph number references are to the Substitute Specification filed September 29, 2005)", the Examiner respectfully disagrees. There is no support in the paragraphs cited above for the limitation "a true lease under tax accounting rules". Hence rejections under 112, first paragraph are maintained for claims 1, 2, 28, 35, 57, 95, 120, 122, 143, 170, 175, 198, 60, 133, 148, 179, 180, 181, 183, and 193.

In response to Applicant's assertion that the specification provides support for the claim language of "computing data in a non-transitory memory of a computer, the computation in furtherance of an improvements lease, the improvements lease being a lease of improvements" (for Claim 2) or similar language", the Examiner respectfully disagrees. The Examiner is unable to find support for such limitations in the original specification as discussed in the rejections under 112, first paragraph for claims having similar language. Hence the rejections under 112, first paragraph for claims having similar language are maintained.

In response to Applicant's assertion that the specification provides support for the claim language of claims 181 and 182, the Examiner respectfully disagrees. The Examiner is unable to find support for limitations in these claims in the original specification (and particularly in paragraph 87 or Figure 2C of the original specification) as discussed in the rejections under 112, first paragraph. Figure 2C refers to computer software. However the structures of a computer system claimed in claims 181 and 182 are not adequately disclosed in Figure 2C and/or paragraph 87 of the original specification. Hence the rejections under 112, first paragraph for claims 181 and 182 are maintained.

In response to Applicant's assertion "Claim 181 meets the requirements of Section 112, 2nd paragraph and is definite", the Examiner respectfully disagrees. In view of the ambiguities identified in the claim the scope of the claim is indefinite. Hence the rejection under 35 USC 112, 2nd paragraph is maintained.

In response to Applicant's assertion "The claims each recite methods, and specify that some part of the method requires processing or computing by a computer. A computer is indisputably a "machine." Processing or computing in a machine is not "abstract." The claims

meet the "machine or transformation" test, and are not otherwise abstract. Therefore, they are § 101 subject matter. Further, the Supreme Court in the case *Bilski*, ruled the "machine or transformation" test is not the sole test for patent eligibility under Section 101.

Additionally, the rejections seem to incorporate a strategy of striking out any language to a general purpose computer which is an apparatus and then, judging the claims as directed to a method. "The computer is merely an object on which the method operates." Office Action dated May 26, 2011, page 13. There is no support for striking out claim language for analysis under Section 101. "The computer is generically recited such that it covers any computer capable of performing the claimed step(s). There is nothing in the specification to suggest that the computer is a particular machine." Office Action dated May 26, 2011, page 13. There is no legal support for denying patent protection to an invention where a generic computer is programmed, whether it is the process or the apparatus that is claimed. The wrong legal standard is relied upon (a Board opinion, where the Supreme Court has rendered an opinion). There is no legal citation for the refusal to permit patent protection to a programmed general purpose computer", the Examiner respectfully disagrees with the Applicant's characterization of the rejection under 35 USC 101. As discussed in the rejection, the method claims perform no physical transformation and does not recite how a specific machine is used, and therefore recites no more than an abstract idea. The Supreme Court recently held that claims that explained the basic concept of an activity (leasing) would allow the Appellant to pre-empt the use of this approach in all fields, and would effectively grant a monopoly over an abstract idea. *Bilski v. Kappos*, 130 S.Ct. 3218, 3231 (June 2010). Abstract ideas are not patent eligible. *Id.* at 3225.

For instance Claim 1 does no more than lay out the concept of leasing space and improvements. The claims neither refer to a specific machine by reciting structural limitations to any apparatus, nor recite any specific operations that would cause a machine to be the mechanism to calculate information, or to receive payments. Indeed to process data, and compute data requires no machine; only the conscious thought of the one controlling the operation. To receive payments requires only an agreement that such a deposit is made. Absent any specific structural limitations on how one acts to perform these steps, these claims recite no more than the abstract concept of leasing tangible and intangible assets. As in *Bilski*, these claims pre-empt the use of this approach in all fields, and would effectively grant a monopoly over an abstract idea.

In a "computer-implemented method," even if some physical steps are required to obtain information from the database (e.g., entering a query via a keyboard, clicking a mouse), such data-gathering steps cannot alone confer patentability (*CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. Aug. 16, 2011)). Simply using some computer-implemented method in some undefined manner alone cannot confer patentability. More recently, claims were held to be non-statutory where the claims here recite only that the method is "computer aided" without specifying any level of involvement or detail. The fact that certain algorithms are disclosed in the specification does not change the outcome. In considering patent eligibility under § 101, one must focus on the claims. This is because a claim may "preempt" only that which the claims encompass, not what is disclosed but left unclaimed. *Dealertrack v Huber* --- F.3d ..., 2012 WL 164439 (Fed Cir 2012)". Hence the rejections of method claims under § 101 are maintained.

In response to Applicant's assertion "In contrast, in the Office Action of October 3, 2008, at page 4, Examiner Subramanian characterized almost identical language in other claims as "functional descriptive material", the Examiner would like to point out that language in that office action was a result of a typographical error. The "functional descriptive material", should have read "Non-functional descriptive material".

Applicant's arguments with respect to pending claims have been considered but are moot in view of new grounds of rejection.

Conclusion

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are listed on the enclosed PTO-892.

15. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles R. Kyle can be reached at (571) 272-6746. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Narayanswamy Subramanian/
Primary Examiner
Art Unit 3695

February 12, 2012